



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

# HIGHLIGHTS

February 2, 2012

**Postal Vehicle Service Transportation  
Routes – Margaret L. Sellers Processing  
and Distribution Center**

Report Number NL-AR-12-001

## **IMPACT ON:**

Margaret L. Sellers Processing and Distribution Center (P&DC). Savings in personnel costs, fuel costs, and tort claims.

## **WHY THE OIG DID THE AUDIT:**

Our objectives were to determine whether Postal Vehicle Service (PVS) operations were effective and economical. PVS is network transportation that uses U.S. Postal Service vehicles and employees to transport mail to and from facilities usually within a 50-mile radius of Postal Service plants.

## **WHAT THE OIG FOUND:**

Margaret L. Sellers P&DC management had reviewed and adjusted PVS schedules due to implementation of the Flats Sequencing System (FSS) at the facility. However, P&DC officials could more effectively manage PVS transportation processes and schedules which would reduce driver workhours as well as associated fuel use and damage claims. This occurred because managers did not always conduct annual PVS schedule reviews as required. Additionally, we verified that management cancelled or consolidated underutilized trips from highway contract routes (HCRs) that serve the P&DC. We estimate this will save the Postal Service an average of about \$435,000 annually, or more than \$4.3 million over 10 years. The reduction in PVS and

HCR transportation fuel use would also help achieve the Postal Service's fuel consumption goals.

## **WHAT THE OIG RECOMMENDED:**

We recommend the vice president, Pacific Area Operations, ensure that Margaret L. Sellers P&DC managers follow prescribed fleet management procedures for making PVS schedule changes more timely, verify the reallocation of 2,424 workhours within existing PVS schedules, and reallocate an additional 5,728 workhours within PVS schedules to accommodate future FSS implementation.

## **WHAT MANAGEMENT SAID:**

Management agreed with our findings and recommendations. Management stated that Pacific Area staff will assist local management to ensure audit reviews are completed properly. Management generally agreed with the reallocation of excess hours based on schedule reviews but commented that the exact amount of hours may change with network changes.

## **AUDITORS' COMMENTS:**

The U.S. Postal Service Office of Inspector General considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.